

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7168

BILL NUMBER: HB 1669

DATE PREPARED: Dec 30, 2000

BILL AMENDED:

SUBJECT: Mandated Benefit Exemptions.

FISCAL ANALYST: Jim Landers

PHONE NUMBER: 232-9869

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: The bill exempts health insurance policies and health maintenance organization (HMO) contracts that are issued to individuals or businesses that employ less than 25 employees from statutorily mandated benefits provisions, including provisions requiring the following: (1) No exclusion of coverage for inpatient mental health services provided by a community mental health center or psychiatric hospital; (2) coverage for prosthetics or reconstruction following mastectomy; (3) coverage for newborns; (4) an offer of coverage for mammography; (5) coverage for diabetes; and (6) no prohibition on a women's health care provider serving as a primary care provider.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill exempts employers with fewer than 25 employees from state-mandated insurance benefit provisions. This could potentially reduce the costs to small local governmental units and school corporations of providing health care benefits to their employees. The extent of any cost reduction would depend upon administrative actions as to: (1) whether to reduce health care benefits to employees and (2) the determination of the employer/employee cost share for health care benefits.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local Governmental Units and School Corporations.

Information Sources: